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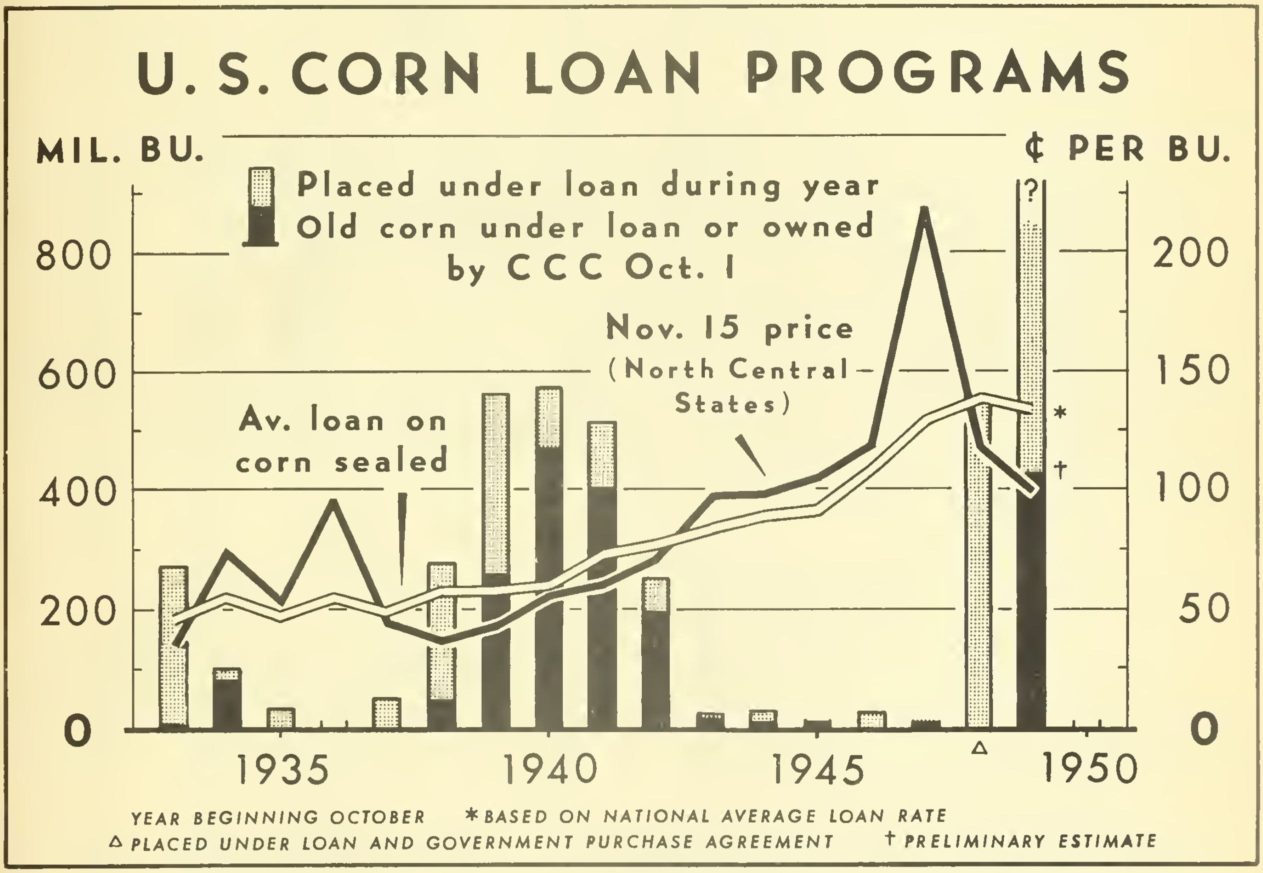
THE Feed SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

FDS-113 BAE NOVEMBER 1949



U. S. DEPARTMENT OF AGRICULTURE NEG. 47440-XX BUREAU OF AGRICULTURAL ECONOMICS

Corn prices have dropped sharply from the postwar peak reached in 1947-48. This fall they are again low in relation to the Government loan rates, and another large volume of corn is expected to be placed under price support. During 1948-49, 556 million bushels of corn were placed under Government loan and purchase agreement, a large part of which was retained under price support into the 1949-50 marketing year.

Table 1.- Statistical Summary

PRICES

Item	Unit	1947		1948		1949		
		Oct.	Nov.	Oct.	Nov.	Sept.	Oct.	Nov.
		Cents	Cents	Cents	Cents	Cents	Cents	Cents
Corn, No. 3 Yellow, Chicago	Bushel	240.3	242.3	147.0	138.1	131.2	115.2	1/117.0
Price received by farmers, U. S.	do.	223.0	219.0	138.0	121.0	116.0	109.0	102.0
Oats, No. 3 White, Chicago	do.	120.1	124.1	77.8	87.8	67.8	68.7	1/ 75.6
No. 3 White, Minneapolis	do.	115.0	117.6	73.7	81.7	65.7	67.5	1/ 70.9
Price received by farmers, U. S.	do.	109.0	109.0	69.9	75.6	61.3	62.3	66.4
Barley, No. 3, Minneapolis	do.	221.8	242.6	141.9	144.7	145.5	150.2	1/144.0
Price received by farmers, U. S.	do.	177.0	187.0	110.0	115.0	105.0	107.0	110.0
Grain sorghums, price received by farmers, U. S.	100 pounds	324.0	329.0	199.0	214.0	180.0	172.0	166.0
Wheat, No. 2 Hard Winter, Kansas City	Bushel	295.3	299.9	222.6	228.2	215.2	218.8	1/220.4
		Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Hay, No. 1 Alfalfa, Kansas City	Ton	34.75	36.25	27.40	27.50	25.60	26.25	1/29.80
Price received by farmers, U. S. 2/	do.	21.30	21.80	23.00	23.30	21.00	21.50	21.50
Byproduct Feeds (bagged)								
Standard bran, Minneapolis	do.	61.10	62.50	43.25	49.20	40.75	38.90	40.80
Buffalo	do.	67.40	67.75	48.75	55.60	47.60	45.40	47.30
Price paid by farmers, U. S.	100 pounds	3.78	3.77	2.88	3.06	2.84	2.83	2.80
Standard middlings, Minneapolis	Ton	71.40	69.25	45.25	49.50	45.40	41.40	41.40
Buffalo	do.	77.40	74.75	52.25	56.40	52.60	48.25	48.40
Price paid by farmers, U. S.	100 pounds	4.24	4.24	3.29	3.30	3.06	3.12	3.01
Cottonseed meal, 41 pct. protein, Memphis	Ton	86.90	90.80	64.75	74.20	57.75	59.70	61.90
Linseed meal, 32 pct. protein, Minneapolis	do.	89.25	88.75	64.90	76.60	62.40	66.55	70.20
30 pct. protein, San Francisco	do.	81.50	82.00	59.75	61.40	53.90	54.50	59.80
Soybean meal, 41 pct. protein, Chicago	do.	91.05	92.90	66.80	79.25	83.15	74.80	69.40
Price paid by farmers, U. S.	100 pounds	5.43	5.22	4.26	4.38	5.16	4.69	4.36
Peanut meal, 41 pct. protein, S.E. milling points.	Ton	88.75	88.65	60.05	65.10	70.00	61.20	59.80
White hominy feed, Chicago	do.	82.60	83.60	55.15	54.25	45.80	47.80	44.85
Gluten feed, 23 pct. protein, Chicago	do.	80.50	79.75	53.25	56.05	51.75	49.50	48.50
Tankage digester, 60 pct. protein, Chicago	do.	140.60	133.25	104.10	112.45	130.10	133.50	123.20
Meat scraps, Chicago	do.	130.30	124.75	99.10	104.65	114.75	118.75	109.00
Fish meal, San Francisco	do.	172.95	172.50	128.55	146.65	170.00	166.25	168.50
Alfalfa meal, No. 1 fine, Kansas City	do.	47.25	48.30	39.50	40.20	38.75	41.50	42.60
Mixed dairy feed, 16 pct. protein, price paid by farmers, U. S.	100 pounds	4.38	4.43	3.72	3.71	3.43	3.39	3.38
Laying mash, price paid by farmers, U. S.	do.	5.39	5.40	4.59	4.55	4.53	4.48	4.38
Scratch feed, price paid by farmers, U. S.	do.	5.26	5.31	4.32	4.15	3.80	3.76	3.68

INDEX NUMBERS OF PRICES

		Percent	Percent	Percent	Percent	Percent	Percent	Percent
Feed grains, price received by farmers, U. S.	1910-14=100	327	324	204	189	174	167	162
Ten principal high-protein feeds, terminal markets	1935-39=100	304	308	221	252	236	232	230
Four oilseed meals	do.	291	300	215	250	219	214	214
Tankage, meat scraps, and fish meal	do.	327	317	244	268	308	309	297
Gluten feed, brewers' dried grains, and distillers' dried grains	do.	334	334	223	239	217	214	216
Feed, prices paid by farmers, U. S.	1910-14=100	285	286	221	218	202	199	197

LIVESTOCK-FEED PRICE RATIOS 3/

	(Nov. average)								
Hog-corn, Chicago 4/	1928-47 = 12.5	Bushel	11.6	10.3	17.3	16.4	15.0	15.5	1/13.5
Hog-corn, U. S. farm price	1928-47 = 12.9	do.	12.2	11.1	17.9	18.0	17.2	16.1	15.3
Beef-steer-corn, Chicago 3/	1928-47 = 16.2	do.	12.4	12.2	21.8	22.2	21.4	25.1	1/24.0
Butterfat-feed, U. S.	1928-47 = 26.3	do.	19.4	20.3	24.0	22.7	23.5	24.1	25.0
Milk-feed, U. S.	1928-47 = 1.41	do.	1.13	1.20	1.47	1.46	1.33	1.40	1.46
Egg-feed, U. S.	1938-47 = 16.0	do.	11.7	11.3	14.9	16.2	15.2	15.1	14.2

Prices compiled from Chicago Journal of Commerce, Minneapolis Daily Market Record, Kansas City Grain Market Review, and reports of the Grain Branch, Production and Marketing Administration, and the Bureau of Agricultural Economics.

1/ Average of three weeks ended November 26.

2/ Price of baled hay. Publication of prices received by farmers for hay sold loose has been discontinued.

3/ Units of corn or other concentrate ration equal in value to 100 pounds of hog or beef-steer, one pound of butterfat or milk, or one dozen eggs.

4/ Based on prices of No. 3 Yellow corn, all purchases of hogs, and beef steers sold out of first hands for slaughter.

THE FEED SITUATION

Approved by the Outlook and Situation Board, December 1, 1949

SUMMARY

The total supply of feed concentrates for the 1949-50 season was estimated in November at 178 million tons, about 3 million tons less than a month earlier, reflecting the lower estimate of the 1949 corn crop in the November 1 report. This would still be a little larger than the previous record supply in 1942-43 and about 8 million tons, or 5 percent, larger than the big supply for 1948-49. On a per animal-unit basis the supply is a little larger than the record supply per animal unit last year, and one-fifth larger than in the immediate prewar period. The big corn supply this year makes up an unusually large part of the total feed concentrate supply.

The corn supply was estimated in November at 4,173 million bushels, about 400 million bushels above the previous record supply of last year. and more than a billion bushels larger than in most prewar years. This supply includes the 1948 corn that remained under price support programs on October 1, which is estimated to total around 400 to 450 million bushels. Excluding this quantity, the remaining supply is nearly as large as the total supply of last year. The price support program will again have an important influence on corn utilization and prices during the current marketing year. The volume of 1949 corn placed under price support may be somewhere near the total of 556 million bushels in 1948-49. A total carry-over of around 1 billion bushels of corn is in prospect for next October 1, a large part of which probably will be under loan or in Government ownership.

Domestic utilization of feed grains during July-September was a little larger than the 1943-47 average for the quarter, and one-fourth larger than a year earlier, reflecting larger numbers of hogs and poultry and liberal feeding of all types of livestock. Domestic utilization of corn in July-September totaled 437 million bushels, one-third larger than a year earlier, and only slightly less than the previous record disappearance in that quarter of 1943.

Feed prices this fall are generally lower than a year ago, and probably will continue lower, at least through the winter feeding season. As harvesting of the big 1949 crop picked up momentum, corn prices declined seasonally during October to the lowest level since 1943. The mid-November price of $1.02 per bushel was 19 cents per bushel lower than a year earlier and 38 cents per bushel lower than the national average loan rate, a greater difference than occurred at any time in the 1948-49 season. The prices of oats and barley have advanced in recent months and in November were near the Government loan rates for these grains. Prices of oilseed meal and most of the lower protein byproduct feeds ranged from about 8 to 15 percent lower in November than a year earlier. While prices of animal protein feeds have declined from the peak level of last summer, in November they were still higher than a year earlier and were high in relation to prices of other feeds.

CURRENT SITUATION AND OUTLOOK

Prospective Feed Supply Reduced by November Corn Estimate

The total feed concentrate supply for the 1949-50 season was estimated in November at 178 million tons, 3 million tons less than a month earlier, reflecting a cut of 119 million bushels in the estimated 1949 corn crop. The total supply of all feed concentrates, including the feed grains, byproduct feeds, and an allowance for wheat and rye feeding, was estimated at 178 million tons. This would be about 5 percent larger than the supply in 1948-49, and 3 percent above the previous record supply in 1942-43. On a per animal-unit basis, the feed concentrate supply exceeds that of any other year and is one-fifth larger than in the immediate prewar period.

The November estimate of corn production was reduced to 3,358 million bushels, as a result of greater damage from dry weather than was earlier anticipated and extensive corn borer infestation. Also a factor was the October storm damage. The 1949 growing season for feed grains, however, was generally one of the best in history. Total feed grain production was estimated in November at 124.4 million tons. Although 9 percent smaller than the record production of 1948, it was about the same as the previous record output in 1946. The total feed grain supply of 154.4 million tons is the largest on record and about 6 percent greater than in 1948-49.

Livestock producers are expected to continue feeding their livestock liberally during 1949-50. Rates of feeding per animal unit are expected to continue well above the prewar average. During the 1948-49 season about 123 million tons of feed concentrates were consumed by livestock, or about .76 ton per grain-consuming animal unit (table 2). This was 17 percent larger in total and 9 percent more per animal unit than in the period 1937-41, although less than during some of the war years. Livestock numbers have been increasing during the past year. The number of grain-consuming animal units to be fed in 1949-50 is expected to be about 3 or 4 percent larger than in 1948-49 and another increase is expected in the quantity of grains fed. The quantity used for other purposes in this country is expected to be about the same as in 1948-49, but exports may be a little smaller. The combined carry-over of corn, oats, and barley at the close of the 1949-50 season is now expected to total around 35 million tons, or about one-sixth larger than at the beginning, with all of the prospective increase in corn.

The record feed grain supply for the 1949-50 feeding season will be supplemented by another large supply of byproduct feeds. Weather this past summer and fall has been favorable for domestic oilseed crops. The soybean crop, estimated in November at 215 million bushels, was only slightly smaller than the record production in 1948. The 1949 production of cottonseed and flaxseed also was much larger than average. Because of the large volume of oilseeds available, the total output of oilseed cake and meal in the 1949-50 feeding year may be nearly as large as the record production in 1948-49. In the 1948-49 season 7.3 million tons of oilseed cake and meal were fed to livestock in this country and about 350 thousand tons were exported. Exports are expected to continue fairly large in 1949-50, although they may be a little smaller than in the past year. The total supply of all high-protein feeds for the 1949-50 season, including the oilseed meals, animal and marine proteins, and protein feeds from grain-processing is expected to be about as large as in the 1948-49 season, although supplies may be a little smaller in relation to the increasing number of livestock on farms.

Table 2.- Feed balance, numbers of animal units, and feed per unit, United States, year beginning October, average 1937-41, annual 1945-49

Item	Average 1937-41	1945	1946	1947	1948 1/	1949 2/
	Million tons	Million tons	Million tons	Million tons	Million tons	Million tons
Supply						
Stocks beginning of crop year 3/	16.9	14.9	10.9	13.8	7.7	30.0
Production						
Corn	72.1	80.7	91.0	66.8	102.2	94.0
Oats	18.1	24.6	24.0	19.2	23.9	21.1
Barley	6.9	6.4	6.3	6.7	7.6	5.6
Sorghum grains	2.2	2.7	3.0	2.7	3.7	3.7
Total feed grains produced	99.3	114.4	124.3	95.4	137.4	124.4
Other grains fed 4/	4.8	8.1	5.3	5.4	4.8	4.3
Byproduct feeds for feed	15.4	17.7	19.4	19.0	19.6	19.3
Total supply of concentrates	136.4	155.1	159.9	133.6	169.5	178.0
Utilization						
Domestic feed grains fed	85.1	107.4	100.2	87.1	98.5	102.0
Domestic wheat and rye fed	4.6	7.9	5.2	5.3	4.2	4.0
Other grain fed	0.2	0.2	0.1	0.1	.6	.3
Oilseed cake and meal fed	3.9	5.8	5.8	6.2	7.3	7.2
Animal protein feeds fed	2.9	2.4	2.3	2.4	2.4	2.6
Other byproduct feeds fed	8.6	9.5	11.3	10.4	9.9	9.5
Total concentrates fed	105.3	133.2	124.9	111.5	122.9	125.6
Feed grains for seed, human food, industry, and export	12.1	13.3	19.3	13.6	17.8	17.0
Total utilization	117.4	146.5	144.2	125.1	140.7	142.6
Total utilization adjusted to crop year basis	116.5	144.2	146.1	125.9	139.5	143.0
Stocks at end of crop year 3/	19.9	10.9	13.8	7.7	30.0	35.0
Number of grain-consuming animal units fed annually Oct.-Sept. (million) 5/	153.1	167.7	161.4	155.5	161.0	167.0
Supply of all concentrates per animal unit (ton)	.89	.92	.99	.86	1.05	1.07
Concentrates fed per animal unit (ton)	.69	.80	.77	.72	.76	.75

1/ Preliminary. 2/ Based on indications in November 1949. Tentative estimates of utilization and carry-over. 3/ Stocks in all positions of corn October 1 and oats and barley July 1. 4/ Imported grain and domestic wheat and rye fed. 5/ For weights, see table 2, October 1949 Feed Situation.

Corn Supply Large in Relation to Supplies of other Feeds

With another big corn crop and a record large carry-over of 815 million bushels of old corn from last season, the total corn supply makes up an unusually large part of the total feed concentrate supply for the 1949-50 season. The total corn supply of 4,173 million bushels is 37 percent larger than during the period 1937-41, and 11 percent larger than the previous record supply of last year. Supplies of oats, barley, and sorghum grains combined are estimated to be about 21 percent larger than for the period 1937-41, and byproduct feed supplies about 25 percent larger. Because of this greater increase in corn supplies than in supplies of other feeds, corn is a larger than usual part of the total feed concentrate supply. The estimated corn supply makes up about 66 percent of the total feed concentrate supply this year, compared with about 62 percent in 1937-41, and less than 60 percent for the years 1943-47.

Table 3.- Feed concentrate supplies: By kinds as a percentage of total, United States, average 1937-41, annual 1943-49

Feed	Average 1937-41	1943	1944	1945	1946	1947	1948	1949 1/
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Corn 2/	62.5	57.0	58.8	57.7	59.9	55.9	62.4	65.6
Other grain 3/	26.2	31.6	29.2	30.9	28.0	29.9	26.0	23.6
Byproduct feeds	11.3	11.4	12.0	11.4	12.1	14.2	11.6	10.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Preliminary.
2/ Total supply of corn for all purposes October 1.
3/ Total oats and barley supply July 1, grain sorghum production, and wheat and rye fed.

Corn supplies are larger than average in all sections of the country, with the greatest increase in the Corn Belt. In the North Central region the total supply of corn was estimated in November at about 3,319 million bushels, 34 percent larger than the 1943-47 average, and 13 percent larger than a year ago. Included in this supply are around 400 to 450 million bushels of old corn resealed for loan, or held under Government ownership, a large part of which is in the 5 States--Iowa, Illinois, Nebraska, Minnesota, and South Dakota.

Table 4.- Corn: Supplies by regions and specified States, average 1943-47, annual 1948 and 1949 1/

Region and State	Average 1943-47	1948	1949 2/	1949 as a percentage of 1943-47	1949 as a percentage of 1948
	1,000 bu.	1,000 bu.	1,000 bu.	Percent	Percent
North Atlantic	100,459	114,823	120,085	119.5	104.6
Ohio	178,140	222,329	239,149	134.2	107.6
Indiana	228,568	287,856	296,409	129.7	103.0
Illinois	445,347	562,786	662,075	148.7	117.6
Michigan	59,871	70,313	92,972	155.3	132.2
Wisconsin	116,214	119,027	138,779	119.4	116.6
East North Central .	1,028,140	1,262,311	1,429,384	139.0	113.2
Minnesota	235,733	278,996	315,475	133.8	113.1
Iowa	585,455	681,360	785,417	134.2	115.3
Missouri	150,852	209,008	215,417	142.8	103.1
North Dakota	27,195	30,318	24,999	91.9	82.5
South Dakota	113,804	135,746	122,900	108.0	90.5
Nebraska	251,764	259,401	338,517	134.5	130.5
Kansas	78,532	83,940	87,229	111.1	103.9
West North Central .	1,443,335	1,678,769	1,889,954	130.9	112.6
Total North Central	2,471,475	2,941,080	3,319,338	134.3	112.9
South Atlantic	221,952	259,181	280,801	126.5	108.3
South Central	366,860	431,497	420,803	114.7	97.5
Western	30,828	29,353	31,967	103.7	108.9
Total United States	3,191,574	3,775,934	4,172,994	130.8	110.5

1/ Production for all purposes plus farm, terminal market, interior mill, elevator, and warehouse stocks, and Government-owned stocks on October 1.
2/ Preliminary, based on indications in November.

Heavy Utilization of Feed Grains During July-September

Domestic consumption of feed grains during July-September was larger than for that quarter in any of the past 3 postwar years and also above the 1943-47 average. Largely responsible for the heavy utilization was the increased number of hogs, cattle on feed, and poultry, and liberal feeding of all types of livestock. The total quantity of corn, oats, and barley consumed in this country, plus wheat and rye fed to livestock during the quarter, was about one-fourth larger than the small disappearance in the same quarter of 1948 and a little larger than the average for the past 5 years. While feed grain consumption was below average at the beginning of the 1948-49 season, increasing livestock numbers during the year resulted in heavier than average utilization in the last quarter. For the entire 1948-49 season, the total domestic disappearance of feed grains, plus wheat and rye fed, was 11 percent larger in 1947-48, but was about 5 percent smaller than the 1943-47 average.

Table 5.- Domestic disappearance of feed grains and estimated quantities of wheat and rye fed by quarters, United States, average 1943-47, annual, 1946-48

Year beginning October	October-December 1/	January-March	April-June	July-September	Total October-September
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
			Corn		
Average 1943-47	1,235	784	535	377	2,931
1946	1,212	813	577	407	3,009
1947	1,111	671	426	327	2,535
1948	1,145	733	533	2/ 437	2/2,848
			Oats		
Average 1943-47	258	361	275	445	1,339
1946	271	363	286	445	1,365
1947	241	343	244	424	1,252
1948	278	366	307	2/ 484	2/1,435
			Barley		
Average 1943-47	71	73	57	87	288
1946	62	59	48	74	243
1947	56	70	62	66	254
1948	64	64	59	2/ 76	2/ 263
			Wheat		
Average 1943-47	62	95	39	66	262
1946	52	3/	3/	41	170
1947	21	87	38	27	173
1948	8	41	33	2/ 50	2/ 132
			Rye		
Average 1943-47	2	3	2	5	12
1946	1	1	4/	1	3
1947	2	1	1	1	5
1948	1	2	1	2/ 2	2/ 6
			Total (million tons)		
Average 1943-47	42.3	32.4	22.0	21.9	118.6
1946	41.3	32.3	21.9	21.6	117.1
1947	37.0	28.6	18.5	18.4	102.4
1948	38.3	29.2	22.3	2/ 23.4	2/ 113.2

1/ Includes all corn in silage, part of which is consumed after January 1.
2/ Preliminary.
3/ Total wheat fed during January-June estimated to be 77 million bushels.
4/ Less than 500,000 bushels.

Domestic utilization of 437 million bushels of corn during July-September was only slightly below the previous record utilization in that quarter of 1943. It was one-third larger than in the same quarter of last year, when July 1 stocks were small as a result of the short 1947 crop. The large quantity fed to livestock, which was estimated at around 100 million bushels greater than in July-September 1948, accounted for most of the increase. Exports of corn during July-September totaled about 24 million bushels--much larger than a year earlier.

For the entire 1948-49 marketing year, total disappearance of corn was 2,962 million bushels, including 2,848 million consumed domestically and 114 million exported. While domestic utilization was smaller than in most other recent years, it was 12 percent larger than in 1947-48. The quantity fed to livestock was estimated at 2,595 million bushels--13 percent larger than in 1947-48, but smaller than in most other recent years.

Domestic utilization of oats during July-September totaled about 484 million bushels, or about 14 percent larger than in that quarter last year. Heavier disappearance of oats reflected the relatively low price of oats during this past summer, as well as the increased number of livestock on farms. Stocks of oats on October 1 totaled 1,124 million bushels, or about 10 percent less than a year ago. With smaller stocks on hand, the domestic consumption of oats is expected to be smaller than a year earlier during the last half of the marketing year. The carry-over of oats at the end of the 1949-50 marketing year, however, is expected to be considerably smaller than the record carry-over of 295 million bushels on July 1, 1948.

The domestic barley disappearance during July-September was about 16 percent larger than during that quarter of 1948, even though the total 1949-50 barley supply was 9 percent smaller. Stocks of barley on October 1 were reduced to 248 million bushels, or 16 percent smaller than a year earlier. With barley stocks smaller than a year ago and with prices currently high relative to other feed grains, barley feeding probably will be reduced during the remainder of the marketing year. Receipts of barley were unusually heavy during July-September this year, but are expected to be relatively small during the remainder of the season.

Large Volume of 1949 Corn Expected to be Placed Under Price Support Programs

The corn loan program will again have an important influence on corn prices and utilization in 1949-50, as was the case during the 1948-49 season. During the 1948-49 loan period, corn prices were generally 20 to 30 cents per bushel below the loan rate. From the 1948 corn crop of 3,651 million bushels, farmers placed 556 million bushels under loan or purchase agreement. Although official figures are not yet available on the quantity of corn that remained under loan or in Government ownership at the close of the season, it is estimated at about 400 to 450 million bushels.

Table 6.- Corn: Loan rate, average prices, and quantity placed under price support programs, United States, 1933-49

Year beginning October	Corn loan rates		November 15 price, North Central States 3/	November 15 price as a percentage of average loan on corn sealed	Under loan or owned by CCC beginning of year	Placed under price support during year
	National average rate 1/	Average loan rate per bushel sealed 2/				
	Cents per bushel	Cents per bushel	Cents per bushel	Percent	Million bushels	Million bushels
1933	45	45	34.9	77.6	---	268
1934	55	55	73.4	133.5	4/ 82	20
1935	45	45	51.8	115.1	*	31
1936	55	55	96.1	174.7	*	*
1937	50	49	43.5	88.8	*	5/ 47
1938	57	57	36.3	63.7	45	230
1939	57	57	42.1	73.9	258	302
1940	61	61	54.0	88.5	471	103
1941	75	73	60.9	83.4	403	111
1942	83	77	71.0	92.2	197	56
1943	90	84	97.6	116.2	15	8
1944	98	89	97.7	109.8	4/ 6	21
1945	101	92	104	113.0	4/ 9	3
1946	115	108	118	109.3	*	26
1947	137	131	220	167.9	4/ 9	1
1948	144	138	117	84.8	*	6/556
1949	140	7/134	98	73.1		

1/ Average loan rate in the United States. The loan rate varied by counties for the years 1941 through 1949; prior to 1941 there was a flat loan rate to all eligible producers.

2/ Average loan value of corn sealed during each marketing year.

3/ Average price received by farmers in North Central States.

4/ Loans were in process of being repaid. Corn under seal on September 30 was redeemed by farmers early in the next marketing year.

5/ Does not include 14 million bushels of 1937 corn sealed for the first time in 1938 under a short term loan program.

6/ Total quantity of 1948 corn placed under Government loan or purchase agreement.

7/ Assumes the same difference between national average loan rate and the average loan rate per bushel sealed in 1947 and 1948.

*Less than 500,000 bushels.

The supply of corn for the current marketing year was estimated in November at 4,173 million bushels. If we exclude from this supply the old corn resealed for loan or owned by the Government, the remaining supply of between 3.7 and 3.8 billion bushels is about as large as the total corn supply last year. Corn prices this fall reached the lowest level since early in 1943. The average price received by farmers in November was $1.02 per bushel, or 38 cents below the national average loan rate. Corn prices are expected to remain considerably below the loan rate this fall and winter, and another large volume of corn will be placed under price support - probably somewhere near the total of 556 million bushels in 1948-49.

The bulk of the corn placed under price support is produced in the central and western Corn Belt. Corn prices in this area in mid-November were generally 35 to 40 cents per bushel under the loan rates, as shown in the comparisons that follow. The 6 Corn Belt States listed placed 505 million bushels of corn under price support in 1948-49, or about 91 percent of the total for the United States.

Table 7 .- Corn: Loan rate and mid-November price in specified Corn Belt States

State	Loan rate	November 15 average price	State	Loan rate	November 15 average price
	Dol. per bushel	Dol. per bushel		Dol. per bushel	Dol. per bushel
Iowa	1.31-1.37	.97	S. Dakota	1.29-1.35	.93
Illinois	1.37-1.44	.99	Minnesota	1.30-1.34	.94
Nebraska	1.30-1.37	.99	Indiana	1.38-1.42	.97

The mid-November average price received by farmers in the North Central region was 98 cents per bushel, 19 cents lower than a year earlier. The mid-November prices for the region are compared with the average loan rates in table 6 for the years when loans have been available. The average loan rate on corn sealed may be considered as the average loan on corn in the North Central region, since nearly all the corn placed under price support is in that region - 99 percent of the total in 1948-49. The difference in cents per bushel between the mid-November price of corn and the loan rate was greater this year than in any of the past 16 years in which Government loans have been made, but the percentage difference was about the same as in 1939 and not as great as in 1938.

Corn prices are expected to remain considerably below the loan rate this winter, but some increase toward the loan level is in prospect as the marketing year advances. Some of the difference between the local market price and the loan rate is accounted for by the fact that much of the corn is too high in moisture to be eligible for the full loan at harvest time. The cost of storage, sealing charge, and shelling also would be more or less important in contributing to the difference between what a farmer would accept at the local market and the loan rate. The adjustments and cost, however, apparently accounted for only a part of the difference between the loan rate and the local market price of corn in mid-November.

Moisture content is an important factor contributing to the difference between the market price and the loan rate. Corn testing 15 percent or less in moisture would be eligible for the full amount of the loan, but much of the corn tests over 15 percent at harvest time. Corn in excess of 20.5 percent moisture would not be eligible for the loan. In measuring the bushels or corn placed under loan, corn testing 15.6 to 20.5 percent moisture would be adjusted down in volume by 2 to 10 percent. This would amount to the equivalent of 3 to 14 cents per bushel at the average loan rate of $1.40. The service charge for sealing corn on the farm is 1 cent per bushel, with a minimum charge of $3.00. The cost of shelling and hauling corn delivered to the Government under the loan program would be additional cost items only for farmers who have a local market for ear corn. The cost of storing the corn would vary widely, depending on whether the farm has adequate storage, or has to construct new storage or provide temporary storage to make room for corn placed under loan.

The above considerations apply only where a farmer is considering selling his corn or placing it under loan and is not concerned with the possibility of retaining the corn for feed. The price support program offers an advantage to livestock producers who have surplus corn on hand, in that they can keep possession of the corn and have it available for livestock feeding in case it is needed the following year. In some past years the corn loan program also has made it possible for farmers producing corn for sale to gain from advancing prices in the following year.

Feed Prices Generally Lower Than a Year Ago; Corn Prices Reach Lowest Level Since 1945

Prices of feeds in November were generally lower than a year earlier and probably will continue below the level of last year, at least through this winter. The index of feed grain prices in mid-November was 14 percent lower than in November of 1948 and the lowest level of the post-war period. Prices of oilseed meals and most of the lower protein byproduct feeds were 8 to 15 percent lower than in November 1948. Prices of tankage, meat scraps, and fish meal, on the other hand, were higher than in the fall of 1948, reflecting continued good demand for protein supplements for balancing poultry and hog rations.

Corn prices declined seasonally during October as the harvesting of the big 1949 crop started in volume. By mid-November the average price received by farmers was $1.02 per bushel, the lowest since early in 1943. This was 19 cents per bushel lower than in mid-November 1948, and 38 cents per bushel below the national average loan rate, a greater difference than occurred at any time during the 1948-49 season. Market prices of corn declined rather sharply during October, with No. 3 Yellow at Chicago reaching a low of $1.11 per bushel in late October and early November, which may be the seasonal low point for the 1949-50 marketing year. Market receipts of corn were unusually heavy in late October and early November, but dropped off in the last half of November. Since early in November corn prices have advanced 15 to 20 cents per bushel. Prices of oats and barley have advanced seasonally in recent months from low points reached last summer, and in November were near the Government loans for these grains.

A comparison of prices of various feeds in November (table 8) shows corn prices currently low in relation to prices of most other feeds. As compared with the average of the past 10 years, only prices of milo maize and molasses were relatively lower than corn. Barley prices this fall are especially high relative to prices of other feed grains. In mid-November No. 3 Barley at Minneapolis was selling higher per bushel than corn and 44 percent higher per 100 pounds, reflecting the comparatively small supply of barley this year and the generally good demand for barley for malting.

Table 8.- Prices of specified feeds compared with corn, November, average 1939-48 and annual 1948 and 1949

Feed	Price per 100 pounds			November 1949 as a percentage of average	Pct. of price of corn		
	Average 1939-48	1948	1949		Average 1939-48	1948	1949
	Dollars	Dollars	Dollars	Percent	Percent	Percent	Percen
Grains							
Corn, No. 3 Yellow 1/	2.00	2.47	2/2.09	104.5	100.0	100.0	100.0
Oats, No. 3 White 1/	2.18	2.74	2/2.36	108.3	109.0	110.9	112.9
Barley, No. 3 3/	2.38	3.01	2/3.00	126.1	119.0	121.9	143.5
Milo maize, No. 2 Yellow 4/	1.95	2.42	2/1.83	93.8	97.5	98.0	87.6
Wheat, No. 2 Hard Winter 4/	2.72	3.80	2/3.67	134.9	136.0	153.8	175.6
Oilseed meals							
Cottonseed meal, 41 percent 5/	2.68	3.71	3.10	115.7	134.0	150.2	148.3
Linseed meal, 3/ 6/	2.68	3.83	3.51	131.0	134.0	155.1	167.9
Soybean meal, 41 percent 1/	2.81	3.90	3.47	123.5	140.5	157.9	166.0
Animal and marine proteins							
Tankage digester, 60 percent 1/	4.20	5.62	6.16	146.7	210.0	227.5	294.7
Meat scraps 1/	4.00	5.23	5.45	136.2	200.0	211.7	260.8
Fish meal, 67 percent 7/	4.88	7.33	8.42	172.5	244.0	296.8	402.9
Other byproduct feeds							
Bran, standard, spring wheat 1/	1.99	2.60	2.21	111.1	99.5	105.3	105.7
Middlings, standard, spring wheat 1/	2.06	2.64	2.26	109.7	103.0	106.9	108.1
Gluten feed, 23 percent 1/	2.12	2.80	2.42	114.2	106.0	113.4	115.8
Alfalfa meal, No. 1 fine 4/	1.86	2.01	2.13	114.5	93.0	81.4	101.9
Molasses, blackstrap 8/	1.41	1.71	.69	48.9	70.5	69.2	33.0

1/ Chicago. 2/ Average for three weeks ended November 26. 3/ Minneapolis. 4/ Kansas City. 5/ Memphis. 6/ During 1924-43 protein content varied from 34 to 37 percent; 1947-49, 32 percent protein. 7/ San Francisco. 8/ New York. Based on price per gallon in tank lots; assumes 1 gallon = 12 pounds.

Prices of the lower protein byproduct feeds were generally only moderately above the average price of the past 10 years and were low in relation to prices of the higher protein feeds. While prices of animal and marine protein feeds have declined considerably from the high levels of last summer, they remained higher in November, compared with the average of the past 10 years, than most other feeds. The price of blackstrap molasses has been at a comparatively low level since last spring, and in November it continued unusually low in relation to prices of other feeds.

Livestock-Feed Price Ratios Generally Favorable

During the past year livestock-feed price relationships have been generally favorable for livestock and poultry producers. This was largely the result of the big supply of feed available in the 1948-49 season and the good demand for livestock products. This fall the feeding ratios are not quite so favorable to livestock producers as a year ago, but are generally near or above average. Price relationships are expected to continue to favor livestock producers through this winter, although probably not quite so much as in the same period of 1948-49. Later in 1950, livestock-feed price relationships will depend to a considerable extent on the general level of demand, price supports for livestock and livestock products, and prospects for the 1950 feed crops.

Table 9.- Livestock-feed price ratios, United States, averages and 1947-49 1/

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av. 2/
						Hog-corn ratio							
Average:													
1928-47	12.4	12.8	12.8	12.1	11.4	11.2	11.4	11.6	11.9	12.8	12.9	12.3	12.1
1947	18.1	19.8	17.7	14.7	14.0	11.9	10.9	10.8	11.1	12.2	11.1	10.6	13.6
1948	10.8	11.2	10.2	9.3	9.2	10.6	12.5	14.1	15.4	17.9	18.0	17.0	13.0
1949	16.1	17.5	16.9	15.2	14.7	15.5	15.4	16.4	17.2	16.1	15.3		
						Milk-feed ratio							
Average:													
1928-47	1.34	1.31	1.26	1.19	1.14	1.14	1.17	1.23	1.30	1.37	1.41	1.39	1.27
1947	1.47	1.40	1.27	1.16	1.09	1.03	1.02	1.08	1.09	1.13	1.20	1.18	1.18
1948	1.11	1.18	1.13	1.09	1.08	1.11	1.19	1.34	1.43	1.47	1.46	1.44	1.25
1949	1.34	1.34	1.24	1.15	1.15	1.18	1.20	1.26	1.33	1.41	1.46		
Average:						Butterfat-feed ratio							
1928-47	25.1	24.6	24.2	23.6	22.5	22.0	22.3	23.4	24.5	26.0	26.3	26.4	24.3
1947	26.3	24.6	24.4	22.4	20.7	19.6	20.3	20.5	21.8	19.4	20.3	21.4	21.8
1948	30.1	22.2	20.4	20.9	21.2	21.3	23.1	25.6	25.4	24.0	22.7	23.0	22.5
1949	22.8	23.7	23.2	22.1	22.6	23.1	22.2	23.0	23.5	24.5	25.0		
						Egg-feed ratio							
Average:													
1938-47	13.1	11.6	10.8	10.6	10.7	11.0	11.8	12.6	13.7	15.0	16.0	15.5	12.7
1947	11.9	11.3	10.6	10.4	10.5	10.3	10.9	10.9	11.3	11.7	11.3	12.0	11.1
1948	9.6	9.9	9.2	9.0	8.9	9.5	10.4	12.1	13.1	14.9	16.2	14.6	11.4
1949	13.0	12.2	11.9	12.0	12.4	12.9	13.1	14.1	15.2	15.1	14.2		

1/ Bushels of corn equal in value to 100 pounds of hog, pounds of dairy or poultry ration equivalent in value to 1 pound of milk or butterfat, or 1 dozen eggs, all based on local prices. 2/ Simple average of monthly ratios.

The hog-corn price ratio in November, based on local market prices, averaged 15.3, well above the long-time average of 12.9 for the month, but below the ratio in November last year. With the announced price support for hogs ranging from $14.75 to $16.65 at principal markets, farmers who can acquire corn at current prices are practically assured of a favorable feeding ratio during the next few months. The relationship between hog and corn prices appears less favorable, however, when the opportunity of placing corn under loan is compared with support prices for hogs. The average loan rate in the Corn Belt of about $1.35 per bushel for corn grading No.3 or better and the price supports for hogs would give a hog-corn ratio of about 11 or 12, a little below the long-time average.

The milk-feed price ratio in mid-November was the same as last year and above the long-time average. Compared with last year, prices of wholesale milk and dairy feed are both down about 12 percent. The price of butterfat has been low in relation to prices of most other types of livestock and livestock products during the past year or so and the butterfat-feed price ratio has not been quite so favorable as some of the other feeding ratios. In mid-November the butterfat-feed price ratio was only slightly below the long-time average, and above that of a year earlier.

Egg prices declined rather sharply during October and early November, resulting in a lower egg-feed price ratio. In November the egg-feed price ratio was below average and was lower than a year ago. Egg prices in November were 19 percent lower than a year earlier, while the average cost of poultry ration was down only about 8 percent. Present indications point to a little less favorable relationship between egg prices and feed prices this winter as compared with the same period of 1948-49. The 1950 level of price supports for eggs, which will influence the egg-feed price ratio next year, has not yet been announced.

Table 10.- Feed grains: Receipts at primary markets, October, average 1943-47 and 1948, July-October 1949

Item	October		1949			
	Average 1943-47	1948	July	August	September	October
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Corn, 12 markets 1/	19,560	26,498	19,683	22,064	23,967	43,927
Oats, 12 markets 1/	17,739	9,706	33,804	24,824	9,338	5,954
Barley, 4 markets 2/	16,390	12,569	24,843	24,940	14,954	11,003

Compiled from reports of the Grain Branch, Production and Marketing Administration.

1/ Chicago, Milwakkee, Minneapolis, Duluth, St. Louis, Kansas City, Peoria, Omaha, Indianapolis, Sioux City, St. Joseph, and Wichita.

2/ Minneapolis, Milwaukee, Chicago, and Duluth.

Table 11.- Corn, oats, and barley: Stocks by quarters, United States, 1946-49 1/

Year	January 1	April 1	July 1	October 1
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
		CORN		
1946	1,904,096	1,091,126	532,157	172,926
1947	2,208,291	1,358,098	717,009	285,594
1948	1,555,504	882,575	454,281	125,386
1949	2,612,435	1,833,402	1,277,033	815,376
		OATS		
1946	1,065,075	625,575	291,712	1,213,516
1947	934,432	567,570	276,312	1,026,528
1948	779,991	431,400	183,680	1,250,529
1949	973,618	606,315	294,969	1,124,182
		BARLEY		
1946	192,006	111,301	58,570	235,389
1947	175,691	111,134	55,565	248,116
1948	187,843	115,614	51,929	296,143
1949	231,072	162,051	100,911	248,066

1/ Stocks in all positions, including stocks on farms, at terminal markets, interior mills, elevators, and warehouses and Government-owned.

Table 12.- Corn, oats, and barley: Distribution of October 1 stocks, United States, average 1943-47, annual 1947, 1948, and 1949

Year	Farm	Terminal market	Government-owned 1/	Interior mill, elevator, and warehouse	Total
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
			CORN		
Average 1943-47	251,705	6,492	206	19,382	277,785
1947	254,210	7,910	---	23,474	285,594
1948	114,035	1,522	---	9,829	125,386
1949	699,218	9,614	67,640	38,904	815,376
			OATS		
Average 1943-47	1,047,705	24,851	---	47,334	1,119,890
1947	951,716	26,644	---	48,168	1,026,528
1948	1,184,541	18,902	---	44,086	1,250,529
1949	1,049,342	26,706	---	48,134	1,124,182
			BARLEY		
Average 1943-47	183,411	23,047	---	58,803	265,261
1947	161,736	27,444	---	58,936	248,116
1948	208,979	19,254	---	67,910	296,143
1949	146,288	33,978	2/2,441	65,359	248,066

1/ In bins or other storage owned or controlled by CCC. 2/ In Canadian elevators.

Table 13 .- Production and stocks of specified byproduct feeds, September 1949 with comparisons

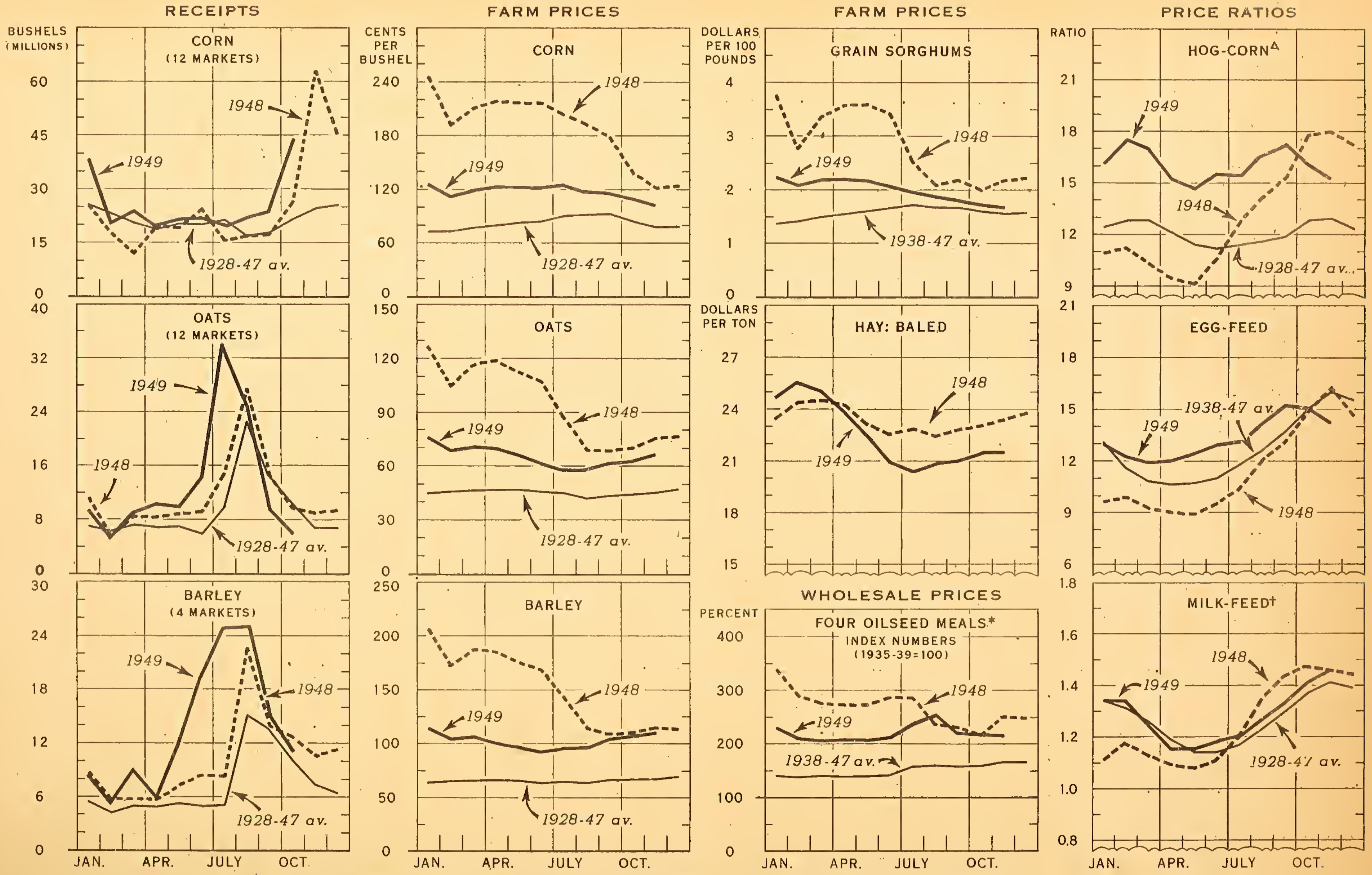
Item	1947-48	1948-49	1948	1949		
	Oct.-Sept.	Oct.-Sept.	September	July	August	September
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
Production						
Cottonseed cake and meal	2,016.6	2,416.3	242.0	66.3	94.1	253.8
Soybean cake and meal	3,832.8	4,328.2	240.8	357.6	318.9	279.9
Linseed cake and meal	625.0	686.2	64.1	64.9	74.1	70.2
Peanut cake and meal	107.3	93.7	1.8	5.0	4.7	4.4
Copra cake and meal	169.9	118.2	7.9	9.3	12.2	13.1
Corn gluten feed and meal	799.1	848.3	67.1	62.8	77.1	76.1
Brewers' dried grains	233.1	232.4	20.6	26.3	24.9	20.6
Distillers' dried grains 1/	351.1	332.9	29.5	13.5	17.3	21.3
Wheat millfeeds 1/	5,420.0	4,799.2	455.0	380.6	405.1	413.6
Rice millfeeds 1/	177.6	190.3	19.4	7.1	10.5	23.0
Alfalfa meal 1/	1,109.9	957.0	113.1	133.8	126.1	101.4
Fish cake and meal	188.5	173.9	28.2	29.0	29.5	27.6
Dry or powdered skim milk	6.7	10.2	.5	9.7	.9	.6
Tankage and meat scraps 2/	749.9	775.5	62.1	61.6	66.9	64.8
Stocks end of period						
Cottonseed cake and meal	75.2	98.1	75.2	65.9	52.8	98.1
Soybean cake and meal	---	13.3	---	21.3	20.4	13.3
Linseed cake and meal	---	38.6	---	32.4	34.9	38.6
Peanut cake and meal	.7	1.1	.7	1.2	.9	1.1
Copra cake and meal	---	7.3	---	5.4	6.5	7.3
Brewers' dried grains	6.7	6.0	6.7	6.5	6.3	6.0
Distillers' dried grains 1/	3.3	2.2	3.3	1.7	2.0	2.2
Alfalfa meal 1/	1/238.7	180.2	238.7	128.3	161.8	180.2

Compiled as follows: Wheat millfeeds, cottonseed cake and meal, and beginning January 1949, soybean, linseed, and copra cakes and meals, Bureau of the Census; prior to January 1949, soybean, linseed, and copra cakes and meals, Grain Branch, Production and Marketing Administration, derived from Census crushings report; gluten feed and meal, brewers' and distillers' dried grains, rice millfeeds, and alfalfa meal, Production and Marketing Administration, fish cake and meal from Fish and Wildlife Service, Department of the Interior.

1/ Revised.

2/ Reported production, which is estimated to be about 95 percent of the total United States production.

MARKET RECEIPTS, PRICES OF SPECIFIED FEEDS, AND LIVESTOCK-FEED PRICE RATIOS



*SOYBEAN, COTTONSEED, LINSEED AND PEANUT CAKES AND MEALS

^ΔBASED ON PRICES RECEIVED BY FARMERS

†MILK-FEED PRICE RATIO INCLUDES DAIRY PRODUCTION PAYMENTS FROM OCTOBER 1943 THROUGH JUNE 1946

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